



## 2014-2015 Differentiated Pay Plan Submission Template

In June 2013, the State Board of Education passed a revised set of guidelines pursuant to Tenn. Code Ann. §49-3-306(h), which requires districts to create and implement differentiated pay plans. The intent of the differentiated pay plans is to give local control to districts in regard to salary schedule, and to create another lever for districts to attract and retain teachers based on a flexible set of potential criteria. A complete copy of the policy can be found [here](#).

### Structure of this Document

The document includes two required sections where districts will describe their proposed 2014-2015 differentiated pay plans and salary schedules. An optional section is also included on stakeholder engagement and eligibility. Finally, districts that choose to propose an [alternative salary schedule](#) as their differentiated pay plan, or part of their plan, will need to complete a short [addendum](#). A list of the common differentiated pay terms used throughout this document can be found in [Appendix A](#).

### Timeline

The department has created a flexible timeline for differentiated pay plan submission to better meet the various deadlines of each district's local school board and budget processes. The table below outlines this timeline:

General Differentiated Pay Plan Submission Timeline	
Prior to submission	Local school boards are informed of and/or approve differentiated pay plans that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Ongoing	Districts submit differentiated pay plans to TDOE
Three weeks after date of submission	TDOE communicates approval decision to school districts
Following TDOE approval notification but no later than June 30, 2014	Local school boards approve final differentiated pay plans and any associated budget items

For those districts that choose to implement an [alternative salary schedule](#) as their differentiated pay plan (see page 5 for more detailed information on this option) the following timeline will be used in order to meet the necessary State Board of Education (SBE) deadlines.

<b>Alternative Salary Schedule Submission Timeline</b>	
Prior to submission	Local school boards are informed of the alternative salary schedule that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Jan. 31, 2014	Districts submit alternative salary schedules to TDOE
By Feb. 21, 2014	TDOE communicates approval decision of the alternative salary schedule to school districts
By March 8, 2014	Local school boards approve the alternative salary schedule
March 8, 2014	TDOE submits alternative salary schedule documents to the SBE
April 18, 2014	SBE Meeting

All differentiated pay plans and alternative salary schedules should be submitted to [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov). The department also plans to post the final differentiated pay plans on its website.

Note that while the differentiated pay plan must be implemented in the 2014-2015 school year, the first payouts from those plans could occur, particularly for those plans which include performance related criteria, at the completion of the 2014-2015 school year when all relevant student achievement data is available. Following the 2014-2015 school year, the department will collect evidence of implementation, including information regarding the number of awards that were paid out.

Contact Laura Encalade at [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) or 615-253-2119 for additional questions or guidance on creating your differentiated pay plan or on the submission and approval processes.

## I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will pay out for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
Hard-to-Staff (School, Subject, or Placement)	<p><i>The district will offer a signing bonus and retention bonus in the hard to staff area in R/LA or math at the 7-8 grade levels.</i></p> <p><i>Hard to staff will be determined by a position that has fewer than three applications and/or has produced zero "acceptable applicants" AND is one of the accountability courses or subjects. Hard to staff positions will be determined annually by</i></p>	<p>The award will be given as a two-part bonus. \$1,000 at the time of signing and an additional \$1,000 at end of the school year when evidence of satisfactory evaluation results are also available.</p> <p>Existing teachers in the HTSP would be eligible for the additional \$1,000 at the</p>	<p><i>In the past three years the district has hired a new teacher in the junior high R/LA and math positions, so 1-2 teachers could be eligible for this new award.</i></p> <p><i>Existing teachers(1-2) in the school would be eligible for this bonus as well.</i></p>	<p><i>The estimated total is \$8,000.</i></p>	<p><b><i>Less than 1% from the general purpose budget for teacher salary expenditures only.</i></b></p>

	<i>July 1.</i>	end of the school year when evidence of satisfactory evaluation results are available.			
<b>Performance</b>					
<b>Additional Instructional Roles or Responsibilities</b>	<i>Teachers attaining national teacher certification will receive a one-time bonus upon presentation of documentation verifying receipt of national certification.</i>	<i>The award will be a one-time bonus of \$1,000.</i>	<i>All teachers would be eligible to attain national certification.</i>  <i>Currently no teachers will be at completion of this certification for the 2014-2015 school year.</i>	<i>\$0 for the 2014-2015 school year.</i>	<i>0%</i>
<b>Education</b>	<i>The Masters+30 lane on the salary schedule has been closed to new participants. Newly hired teachers must have an advanced degree in their content area to qualify for placement on the MS, EDS, or EDD lane.</i>	<i>The current employees on the MS+30 lane will continue until retirement or resignation.</i> <i>Employees will have to see approval to obtain advanced degrees to be put in the advanced degree salary lane.</i>	<i>Only three teachers are currently on the Masters+30 lane and have reached the maximum salary for years experience. Those teachers will remain on the previous Masters+30 lane until retirement.</i> <i>Employees will have to see approval to obtain advanced degrees to be put in the advanced degree salary lane.</i>	<i>Current salary adjustments that were previously in place will not change as these teachers have reached the maximum in the Masters+30 lane. Currently, no teachers are scheduled for an advanced degree.</i>	
<b>Experience</b>	<i>The years of experience column on the salary schedule will be re-named as Steps. The current salary schedule has been transitioned to a 70 step schedule where teachers will continue to move three steps on the salary schedule for one year</i>	<i>Each teacher will earn three steps for one year of experience for yearly salary increases.</i>	<i>All teachers are eligible.</i>	<i>The average increase with the 3-step formula will be \$500(\$166) each step) per year which is equivalent to</i>	<i>The experience payment automatically makes up 10% of the salary expenditures for teachers incurred each</i>

	<i>of experience.</i>			<i>previous salary schedules. The estimated cost would be \$500,000.</i>	<i>year for experience increases.</i>
Other					

## II. Salary Schedule (Required Section)

- Please include below or attach a copy of the district's proposed 2014-2015 salary schedule. The years of experience column on the current salary schedule has been renamed as Steps. Additionally, our current schedule was spread out over 70 steps rather than our original 20 years of experience. For the upcoming year a teacher will move three steps for each year of experience. The three step movement keeps the salary increases in line with the previous years and will put our system into a better position to transition to performance pay in the upcoming year if the system wants to move in that direction. Current teachers will be placed in a position on the salary schedule based upon current salary and then move 3 steps per each year experience.

## Sweetwater School System Teacher Salary Schedule 2014-2015

<u>Steps</u>	<u>Bachelor</u>	<u>Masters</u>	<u>EDS</u>	<u>Doctorate</u>
0	35,354	37,652	42,708	45,565
1	35,501	37,826	42,894	45,748
2	35,647	38,000	43,080	45,930
3	35,794	38,173	43,267	46,113
4	35,941	38,347	43,453	46,296
5	36,088	38,520	43,640	46,479
6	36,234	38,694	43,826	46,662
7				

	36,381	38,868	44,012	46,845
8	36,528	39,041	44,199	47,027
9	36,675	39,215	44,385	47,210
10	36,821	39,388	44,572	47,393
11	36,968	39,562	44,758	47,576
12	37,115	39,736	44,944	47,759
13	37,261	39,909	45,131	47,942
14	37,408	40,083	45,317	48,125
15	37,555	40,256	45,504	48,307
16	37,702	40,430	45,690	48,490
17	37,848	40,604	45,876	48,673
18	37,995	40,777	46,063	48,856
19	38,142	40,951	46,249	49,039
20	38,289	41,124	46,436	49,222
21	38,435	41,298	46,622	49,404
22	38,582	41,472	46,808	49,587
23	38,729	41,645	46,995	49,770
24	38,875	41,819	47,181	49,953

25	39,022	41,993	47,367	50,136
26	39,169	42,166	47,554	50,319
27	39,316	42,340	47,740	50,502
28	39,462	42,513	47,927	50,684
29	39,609	42,687	48,113	50,867
30	39,756	42,861	48,299	51,050
31	39,903	43,034	48,486	51,233
32	40,049	43,208	48,672	51,416
33	40,196	43,381	48,859	51,599
34	40,343	43,555	49,045	51,781
35	40,489	43,729	49,231	51,964
36	40,636	43,902	49,418	52,147
37	40,783	44,076	49,604	52,330
38	40,930	44,249	49,791	52,513
39	41,076	44,423	49,977	52,696
40	41,223	44,597	50,163	52,879
41	41,370	44,770	50,350	53,061
42				

	41,517	44,944	50,536	53,244
43	41,663	45,118	50,722	53,427
44	41,810	45,291	50,909	53,610
45	41,957	45,465	51,095	53,793
46	42,104	45,638	51,282	53,976
47	42,250	45,812	51,468	54,158
48	42,397	45,986	51,654	54,341
49	42,544	46,159	51,841	54,524
50	42,690	46,333	52,027	54,707
51	42,837	46,506	52,214	54,890
52	42,984	46,680	52,400	55,073
53	43,131	46,854	52,586	55,256
54	43,277	47,027	52,773	55,438
55	43,424	47,201	52,959	55,621
56	43,571	47,374	53,146	55,804
57	43,718	47,548	53,332	55,987
58	43,864	47,722	53,518	56,170
59	44,011	47,895	53,705	56,353



60	44,158	48,069	53,891	56,536
61	44,304	48,243	54,078	56,718
62	44,451	48,416	54,264	56,901
63	44,598	48,590	54,450	57,084
64	44,745	48,763	54,637	57,267
65	44,891	48,937	54,823	57,450
66	45,038	49,111	55,009	57,633
67	45,185	49,284	55,196	57,815
68	45,332	49,458	55,382	57,998
69	45,478	49,631	55,569	58,181
70	45,625	49,805	55,755	58,364

**During the 2014-2015 school year, teachers will still receive an increase in pay for experience. For each year of experience, the teacher will move three steps in his/her current salary lane.**

### III. Eligibility and Stakeholder Engagement (Optional Section)

1. Provide a list of eligibility rules (i.e., attendance requirements, retirement or transfer policies, etc.) for the differentiated pay plan elements or additional roles/responsibilities outlined in the plan.
2. Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

#### **IV. Alternative Salary Schedule (Optional Section)**

An alternative salary schedule uses some other component, often performance criteria, in addition to or in place of education and experience to determine base pay and is subject to State Board of Education (SBE) approval. If you are unsure whether your plan qualifies as an alternative salary schedule or for additional resources for developing such a plan, contact Laura Encalade at [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) for more information. Please review the [specific submission timeline](#) for alternative salary schedules on page 2.

Those districts proposing an alternative salary schedule as part of their differentiated pay plan, must complete this addendum to provide the department with the additional information needed to present the salary schedule to the SBE on behalf of the LEA. Those districts which already have SBE approved alternative salary schedules need only to submit a current copy of that plan.

##### **a. Salary Schedule**

Include both the proposed salary schedule and a description of the following:

- How will base pay changes be determined?
- Will existing employees have an opt-out provision for the alternative salary schedule? If so, when will all employees transition to the alternative salary schedule?
- How will the following groups be placed on the alternative salary schedule?:
  - Existing district employees
  - Educators new to teaching with zero years of experience
  - Educators new to the district but with prior experience

##### **b. Eligibility Criteria**

If not already included in Section IV on the previous page, describe below or include in an attachment a copy of any eligibility rules for the alternative salary schedule.

##### **c. Feasibility Analysis**

Attach evidence using 2012-2013 data (at a minimum) that the alternative salary schedule is financially feasible. Please reach out to [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) for additional information or support in meeting this requirement.

##### **d. Stakeholder Engagement**

Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

## Appendix A: Common Differentiated Pay Definitions

1. Base pay (base salary): An individual's salary excluding any additional compensation in the form of bonuses, stipends, or supplements for additional work or responsibilities.
2. Bonus/stipend: Additional compensation for a pre-defined set of criteria. Bonus and stipend pay are awarded in addition to or "on top of" an individual's base pay. Bonuses/stipends are one-time payments awarded for a specific role, additional responsibility, or achievement of particular criteria. Bonuses and stipends are not a part of base salary and do not become a reoccurring part of an individual's compensation.
3. Traditional salary schedule (or step and lane schedule): A salary schedule that uses years of experience and education levels exclusively to determine educator's increases in base pay. Traditional schedules may follow the same structure as the state minimum salary schedule. Salary schedules that modify the amount of the step increases given for experience or change the structure of the education lanes may still be considered a traditional schedule as long as they meet or exceed the relevant state minimums.
4. Alternative salary schedule<sup>1</sup>: A salary schedule that uses some other component, often a performance measure, in addition to or in place of education and experience to determine base pay. A schedule where an educator's evaluation score is used to determine the amount of his or her yearly base pay increase is an example of an alternative salary schedule. Alternative salary schedules are subject to State Board of Education approval.
5. Opt-in/opt-out provision: Individuals are provided with the choice to participate in a program. This provision is most often associated with alternative salary schedules and is not a required provision.

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<sup>1</sup> If you are unsure as to whether your plan is a traditional salary schedule or an alternative salary schedule, please contact [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov).

## Appendix B: Sample Differentiated Pay Plan Table

Note that these examples are for purposes of explaining HOW TO complete each of the table criteria. These examples are NOT intended to be recommendations or endorsements for specific differentiated pay elements. Districts are required to differentiate pay for **at least one element** in addition to **education and experience**. Because plans may include a combination of several elements, please add rows or repeat differentiated elements as needed. Please feel free to delete from the table any differentiated elements that will not be used in the district's plan.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus, stipend, or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will payout for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
<b>Hard-to-Staff (School, Subject, or Placement)</b>	The district will offer a signing bonus and retention bonus in the hard-to-staff area of secondary math. This will include positions in Algebra II, Pre-Calculus, and Calculus.	The award will be given as a two-part bonus. \$1,000 at the time of signing and an additional \$2,000 at end of the school year when evidence of satisfactory evaluation results are also available.	<p>This award will be available to new teachers to the district. The district typically hires 2 positions per school year in the areas defined.</p> <p>Existing teachers (3) in the subjects defined will also be eligible for the same bonus as a retention incentive.</p>	The estimated total for this is \$15,000 (5 teachers at \$3,000 each).	This award makes up less than 2% of the district's annual salary costs.
<b>Performance</b>	The district will incorporate a new salary schedule that uses evaluation criteria to determine base pay changes <sup>2</sup> . A full description of the new schedule is attached in the addendum.	Teachers who receive a 3 will receive a base pay increase of 3-\$300, 4-\$500, 5-\$700. Those teachers receiving a 1 or 2 will not increase their base pay.	<p>All teachers (150) are eligible to receive the award.</p> <p>A copy of the complete eligibility rules is attached.</p> <p>Based on the last two years of evaluation data, the district anticipates between 80-85% of</p>	<p>The district anticipates the total cost to be \$40,000 based on last year's evaluation data.</p> <p>The district will sustain this cost by removing base pay</p>	These payouts will form close to 100% percent of salary costs, with the exception of some career ladder and other supplements.

<sup>2</sup> This differentiated element would qualify as an alternative salary schedule, and the district would need to complete the [Alternative Salary Schedule section](#) on page 5.

			teachers will receive a base pay change.	increases for Level 1 and 2 teachers.	
<b>Additional Instructional Roles or Responsibilities</b>	<p>The district will further its implementation of PLCs through the creation of a PLC leadership role.</p> <p>Highly effective teachers (scores of 4 or 5) will receive a stipend to lead and facilitate the monthly PLC meetings.</p>	The award will be given yearly in the form of a \$1,000 stipend.	<p>Any teacher who receives a 4 or 5 on their evaluation would be eligible to apply for the position. District and school leaders will then screen for additional qualities like leadership and facilitation skills. (Draft job description is attached.)</p> <p>There will be a total of 20 PLC leaders in the district:</p> <ul style="list-style-type: none"> <li>- 6 at the high school,</li> <li>- 4 at the middle school,</li> <li>- 5 at each of the 2 elementary schools.</li> </ul>	The estimated cost of these awards is \$20,000.	This will compromise about 2% of district salary expenditures.
<b>Education</b>	<p>The district will include Bachelor's and Master's degrees for eligible base pay compensation as shown in the attached 2014-15 salary schedule. Degrees above a Master's will no longer be compensated in base pay.</p> <p>Advanced degrees above Master's degree will be eligible for tuition reimbursement with district pre-approval.</p>	<p>Master's degrees will be awarded with a base pay increase.</p> <p>Tuition reimbursement stipends of \$4,000 per year per individual for advanced degrees above Master's. The district must be notified in advance of the start of a program by the educator in order to receive the stipend.</p> <p>Those teachers currently enrolled in programs prior to July 1, 2014 will be eligible for base pay increases on the previous year's schedule, provided that those programs are completed by July 1, 2016.</p>	<p>The district currently has 15% of its teachers with an advanced degree above the Master's Level.</p> <p>We anticipate based on previous data that approximately 10-12 teachers will qualify for tuition reimbursement stipends each year.</p>	<p>This estimated total cost of this element is \$40,000-48,000 per year.</p> <p>The district expects to fund this cost by limiting permanent base pay increases to Master's degrees only.</p>	This will comprise about 8% of district salary expenditures.
<b>Experience</b>	The district will continue to award step increases for each	Each teacher will earn a yearly step increase for years of	All teachers are eligible.	The average step increase in the	This experience payment makes up

	year of experience.  The attached salary schedule contains proposed amounts.	experience.		district is \$400 per year. The estimated cost is \$100,000	20% of the districts expenditures on salary.
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